# **EXHIBIT 18**

Henry Lippek

To:

helenab@tenantsunion.org; Vicente Omar Barraza; ishbeldickens@outlook.com; slippek@neomailbox.ch

Subject:

Re: Firs purchase offer

Date:

Wednesday, January 24, 2018 3:11:07 PM

My takeaway from yesterday's meeting arranged by Rep Mia Gregerson and Daniel Lugo (Helena and Isbel, very good job yesterday in laying out the problem):

No one wants to be the first to commit to providing the Firs HOA a bridge loan or permanent financing to purchase the land underlying the Firs Mobile Home Park until a city, port, union, tribe, authority or other investor has made a commitment.

It is difficult to calculate the total package required until we know what the Firs MHP land acquisition price will be (for estimation purposes \$6,000,000 is a substantial premium above the current \$4.14m assessed value. The assessed value is low *because* it is a mobile home park with no lawful closing date in sight. If the property were vacant, a developer could offer \$10m if proposing a large high-rise commercial or residential development. Mr. Park has told some residents he is not interested in money, but in principle—he owns the land and he should be able to use it in any lawful way he wishes. Since the Relocation Plan is not implemented (requiring relocating all Firs homeowners and residents to new acceptable dwellings, it cannot be lawfully closed. We would be foolish to offer a \$4m additional premium when the cost of an eminent domain proceeding would unlikely exceed \$100,000.

We need to calculate the down payment required--to be provided by a combination of grants, contributions by SeaTac, Port of Seattle, King County Housing Authority, unions and others, and contributions of money and sweat equity by Firs homeowners--to assure that monthly mortgage payments by Firs homeowners do not exceed about \$500 over 15 years, the typical amount they now pay to Mr. Park to lease their respective Firs spaces.

Because this is a short 60-day legislative session, for Firs HOA to obtain a bridge loan through a budget note will require bipartisan support among the House and Senate leadership and relevant committee chairs and minority leaders, which is unlikely to happen unless a sizable bipartisan group become cosponsors of SB 5520/HB1514.

Helena, Isbel and Omar can provide information and solicit support from King, Pierce and Snohomish County Democrats. I think I may be able to get some conservative Democratic and moderate Republican cosponsors and the first \$1m in commitments-perhaps from SeaTac, KC Housing Authority or the Catholic Church's homeless programs--and follow up with the Washington State Housing Finance Commission.

Hank

The Public Advoc ATe NPPSC 1001 Fourth Avenue, Suite 4400 Seattle, WA 98154

T: 206 389-1652 | F: 206 826-1304 | E: lippek@aol.com

----Original Message-----

From: Helena Benedict <helenab@tenantsunion.org>

To: Vicente Omar Barraza <omar@barrazalaw.com>; Henry Lippek lippek@aol.com>

Sent: Wed, Jan 24, 2018 1:02 pm Subject: Firs purchase offer

Omar and Hank,

Would either of you able to clarify briefly where we are with making the \$6 million offer to Mr. Park? The HOA directors would like to be able to clarify to the Association. Mr. Cruz might be in touch directly as well.

Thanks so much,

Helena

Henry Lippek

To:

Vicente Omar Barraza; helenab@tenantsunion.org

Subject: Date:

Firs HOA sample loan amortization tables Thursday, January 25, 2018 10:57:04 AM

Attachments:

Loan Amortization Tables.docx

Attached is a quick initial sample of loan amortization rates that shows sensitivity to loan amount, interest rates and number of participating Firs homeowners.

These numbers do not include points, fees, closing costs or taxes, which can easily be 5% or \$300,000 or so for a \$6,000,000 loan.

This initial look suggests that \$1,500,000 needs to be raised for a 20% down payment and closing costs--an amount achievable with effort, networking and luck.

#### Hank

The Public Advoc ATe NPPSC 1001 Fourth Avenue, Suite 4400 Seattle, WA 98154

T: 206 389-1652 | F: 206 826-1304 | E: lippek@aol.com

Henry Lippek

Subject:

Vicente Omar Barraza; helenab@tenantsunion.org; ishbeldickens@outlook.com Proposed handout to Legislators and 1-28-18 Firs Home Owners Seattle Times article

Date:

Monday, January 29, 2018 1:21:23 PM

Attachments:

Article 2018 Firs Resident Fight to Save their Community Seattle Times 1-26-18.docx

LTR to Legislators 1-29-18.docx

To follow up yesterday's Sunday Seattle Times print edition A Mobile-Home Community Fights Development article by Erika Schultz and Christine Willmsen, part of the Seattle Times The Housing Crisis | Development vs. affordable living series, I propose--

- That something like the attached (and pasted below) draft handout be delivered or emailed to each Washington State Senator and Representative, with the Seattle Times Firs article attached (an electronic copy without ads is attached for you to print or transmit).
- If it has not been done already, a Firs HOA crowd-funding site should be established to augment fundraising--helpful information that Stephanie Bennett reviewed:
- https://www.councilofnonprofits.org/tools-resources/crowdfunding-nonprofits
- http://www.verticalresponse.com/blog/10-crowdfunding-websites-every-non-profit-shouldknow/

#### Hank

The Public Advoc ATE NPPSC 1001 Fourth Avenue, Suite 4400 Seattle, WA 98154

T: 206 389-1652 | F: 206 826-1304 | E: lippek@aol.com

## FiRS Mobile ho Me PARK: A sound investment to preserve existing low-income housing

The Firs Homeowners Association, a Washington non-profit organization, is composed of over 60 homeowners who own manufactured homes in the Firs Mobile Home Park, 20440 International Blvd, SeaTac, WA 98198. The underlying land is owned by the Fife Motel, Inc. dba as the Firs Mobile Home Park. Mr. Jong Soo Park is President of Fife Motel, Inc. and Manager of the Firs Mobile Home Park.

Mobile home parks provide the least-expensive entry to home ownership for lowincome, disabled, retired, and persons needing more than one affordable residence. such as construction workers, college students, military personnel, or farm workers.

Mr. Park wants to close the Firs Mobile Home Park. Mobile home park closures are

reasonably regulated to protect the rights of both the land owner and the homeowner. Applicable requirements of law require a proper one-year notice and an implemented Relocation Plan that requires all mobile home park homeowners and residents to be relocated to acceptable dwellings before a mobile home park can be closed.

The Firs Homeowners Association challenged Mr. Park's closure notice and appealed his desired change of use to a non-mobile home park use under the Land Use Petition Act. By Order entered on January 5, 2018, Mr. Park is barred from attempting to evict Firs homeowners and residents pending final determination of the Firs Homeowners Association LUPA appeal, subject to further Court order.

Over 200 residents live in the Firs Mobile Home Park, about half are adults, half are children from infants to college students. It is a close-knit, hard-working community. Attached Seattle Times Sunday, January 28, 2018, article *A Mobile-Home Community Fights Development*. Some lived in the Firs since 1971. Each homeowner purchased their homes—the older ones typically for \$10,000; newer ones for \$20,000 or more—generally from prior Firs homeowners. The aggregate price Firs homeowners paid for their homes is estimated at \$900,000.

Because it is not cost-effective to move manufactured homes, and because there is no nearby vacant land nor mobile home park spaces available for the Firs community to move to, Firs homeowners and residents want to purchase the land under their homes from Mr. Park and are willing to do so under commercially reasonable terms that a *bona fide* developer would offer for the Firs Mobile Home Park land. The tax year 2018 total assessed value of the Firs Mobile Home Park is \$4,140,000 (the value of individual Firs homes are not included in this amount; Firs homeowners separately pay personal property taxes on their individual homes assessed by the King County Assessor).

To accomplish the goal of unifying ownership of their homes with the land, Firs homeowners and residents require bridge financing, or an estimated \$1.5 million for a 20% down payment, closing costs and transfer taxes. Knowledgeable advisors recommend that such funding could be provided under RCW 43.330.250 economic development strategic reserve; RCW 43.63A764 building communities fund; and/or the National Housing Trust Fund programs, either directly to the Firs Home Owners Association or via a partner, such as the Low-Income Housing Institute or the King County Housing Authority.

The Firs Homeowners Association would then purchase the land through a combination of loans and investments. It is inviting investments from foundations, Tribes, financial institutions and others, to provide the funding, with financial, sweatequity and other contributions from Firs homeowners, like FHA or VA low-down payment financing for the entire community instead of each individual homeowner.

We stand ready to assist in any way possible to provide additional information and in securing authorizing legislation and budget appropriations to provide bridge funding or the \$1.5 million down payment, in this legislative session.

Henry E. Lippek

Attorney for Firs Mobile Home Park Homeowners and residents The Public Advocate, n.c. 206 389-1652 lippek@aol.com

Helena Benedict

Tenants Union 206 722-6848 x114 Helena@tenantsunion.org Vincente Omar Barraza

Attorney for Firs Mobile Home Park Homeowners and residents Barraza Law, PLLC 206 579-5869 omar@barrazalaw.com

Ishbel Dickens

Housing consultant 206 851-6385 ishbeldickens@outlook.com

Enclosure

Amy Tower Henry Lippek

To:

Helena Benedict; Ishbel Dickens; Gregerson, Rep. Mia; Vicente Omar Barraza Re: Firs MHP: LUPA hearing/trial before Judge LeRoy McCullough on April 2, 2018

Subject: Date:

Wednesday, February 7, 2018 11:18:56 AM

Thank you, Hank and Omar!! I am having a strategizing session later today with the TU team and let you all know about our initial plans to organize a turnout and media presence (which I hope to/plan to get in motion before Helena gets back, so that we can use all of the time we have). Thank you all for your time and effort, it is very much appreciated!!

On Wed, Feb 7, 2018 at 10:54 AM, Henry Lippek < lippek@aol.com > wrote:

The Firs Home Owners Association Land Use Petition Act hearing/trial is set for 9:00 am, Monday, April 2, 2018, before Judge LeRoy McCullough, Maleng Regional Justice Center,

401 4th Ave. North, Kent. WA 98032.

Based on Judge McCullough's rulings so far, he appears to have inadequate sympathy for Firs home owners and residents. But, he can redeem himself if he issues a just decision at or after the hearing/trial. Judge McCullough has three alternatives:

- 1. Affirm SeaTac's hearing examiner (which approved Mr. Park's closing notice and Relocation Plan);
- 2. Reverse the hearing examiner; or
- 3. Remand the matter back to the hearing examiner to, among other things, review the implementation of the Relocation Plan.

We need a demonstration of public support for alternatives 2 or 3. That means a good turnout of Firs residents to yet another hearing (but this one is likely to be decisive--if the ruling is either reversal or remand, it will hopefully buy another year for Firs home owners and residents to purchase the park or alternative acceptable housing). Mainstream broadcast (i.e. Jesse Jones, KIRO News) and print media (Seattle Times, Daily Olympian) need to be alerted to cover this hearing. The hearing/trial is almost two months away--enough time to plan, organize and execute a demonstration that should induce Judge McCullough to issue the proper decision.

It is also an urgent, but achievable deadline, for securing a budget note from the Legislature and an acceptable mortgage or grant for funding the Firs \$6 million purchase.

If Judge McCullough, on the other hand, affirms the hearing examiner, we will appeal or file new lawsuits to prevent closing of the Firs Mobile Home Park until all residents are successfully relocated as required by SeaTac ordinances, if approved by the Association (but pursuing this option is uncertain, time-consuming and expensive).

### Hank

The Public Advoc ATe NPPSC 1001 Fourth Avenue, Suite 4400 Seattle, WA 98154

T: 206 389-1652 | F: 206 826-1304 | E: lippek@aol.com